

## REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS

To: Chief Procurement Officer

ADMINISTRATION  
STATE PROCUREMENT OFFICE  
STATE OF HAWAIIFrom: Department of Health/Child and Adolescent Mental Health Division  
*Department/Division/Agency*

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

**Title and description of health and human service(s):**

Under the Individual with Disabilities in Education Act (IDEA) (20 U.S.C. §1401) and Section 504 of the Rehabilitation Act, the Department of Health (DOH) is responsible to provide related mental health services for children and youth through age 20. Pursuant to §321-171, Hawaii Revised Statutes (HRS), the DOH's Child and Adolescent Mental Health Division (CAMHD) is responsible to provide: preventive health services; diagnostic and treatment services for emotionally disturbed children and youth; treatment and rehabilitative services for mentally challenged children and youth; and the coordination of mental health services for youth adjudicated through the court.

This request for exemption from Chapter 103F, HRS is to ensure compliance with these mandates for youth requiring treatment and rehabilitation services in out-of-state psychiatric facilities. The determining conditions to place a youth in an out-of-state facility occur only after: all efforts to meet the youth's treatment need in Hawaii have been exhausted; specialized services are needed for youth that are not locally available; and the determination for placement is reflected in the youth's Individualized Education Program (IEP) or court order. All of the youth meet these conditions. Services include ancillary services, limited medical care and services to facilitate the transition of youth from an inpatient milieu.

Provider Name: To Be Determined	Total Contract Funds: \$90,000	Term of Contract: From: 6-1-05 To: 6-30-05
Provider Address:	Contract Funds per Year (as applicable).	\$90,000

**Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:**

The need to place a youth in an out-of-state facility occurs only after all efforts to meet the youth's treatment need in Hawaii have been exhausted; or youth is in need of specialized treatment that is not locally available; and the determination for placement is reflected in the youth's Individualized Education Program (IEP) or court order. However, the ability to anticipate, develop, and adequately meet all procurement requirements for each youth in need of services in a timely manner is not practicable and would place the State at risk of violating federal laws and/or court order. Further, any delay of clinically necessary services would not be in the best interest of the youth or the State.

**Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:**

The multi-disciplinary treatment team and the established Individualized Educational Program process and/or a court order shall assess local programs to determine appropriateness of placement and to ensure competitions. Only after local programs are deemed inappropriate, a mainland facility is considered.

**A description of the state agency's internal controls and approval requirements for the exempted procurement:**  
The CAMHD has implemented a process for the payment of out-of-state facilities. Payment shall be processed only upon the approval by the Family Guidance Center involved and with a Service Authorization for the invoiced period. The Accountant reviews and resolves deviations to the process.

The mainland budget is the previous year's budget, reflecting increases or decreases dependent on clinical expectations of youth returning from and youth placed in mainland facilities. During Fiscal Year 2005, seven (7) youth were in mainland facilities. The CAMHD anticipated youth would return to Hawaii instead one more youth was placed and existing facilities increased their day rate, resulting in a budget deficit. The CAMHD on two separate occasions, requested and the SPO approved a total of \$512,100 for mainland placements. (See Attachment #1: Mainland Placement for FY'05 increased projections).

The CAMHD strives to have a contract in place that reflects the Individualized Education Plan, and includes the negotiated reimbursement rate. In previous years, agreements were not routine. At the start of Fiscal Year 2005, the CAMHD had seven youth in mainland facilities. Four of the placements have agreements in place before the youth's departure and have specific agreed upon rates. This has allowed the CAMHD to manage the rate increases and assure to some extent, that CAMHD remain within budget. It is the intent of the CAMHD to issue agreements with those mainland facilities currently serving CAMHD youth in place before the close of Fiscal Year 2006.

CAMHD requests additional funds to meet the increased rates and additional placement.

**A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:**

Chiyome Leina'ala Fukino, M.D., Director of Health  
Michelle Hill, Deputy Director of Behavioral Health  
Christina M. Donkervoet, Chief, CAMHD  
Alfred Arensdorf, CAMHD Medical Director  
Mary Brogan, Performance Manager  
T. Orvin Fillman, Dr.P.H., Public Health Administrative Officer/CAMHD Compliance Officer

**Direct questions to (name & position):**

T. Orvin Fillman, Dr.P.H. Public Health Administrative Officer

**Phone number:**

733-4198 or  
733-8386

**e-mail address:**

tofillma@camhmis.health.state.hi.us

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☒ No ☐

I certify that the information provided above is to the best of my knowledge, true and correct.

  
Department Head Signature

JUN - 1 2005  
Date

Chiyome Leina'ala Fukino, M.D.  
Typed Name

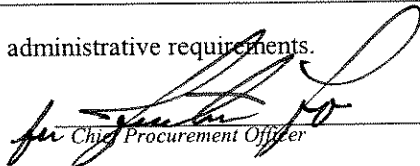
Director of Health  
Position Title

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

☒ Approved

☐ Denied

  
Chief Procurement Officer

6/14/05  
Date

cc: Administrator  
State Procurement Office

# Mainland Placement for FY-05 (Increase Projection)

Provider	Client	Encumbrances for 1st & 2nd Qtr	Encumbrances for 3rd & 4th Qtr	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Total
Rivendell Center/ Turning Point		\$60,874.56	\$56,414.08	9,662.08	9,662.08	9,350.40	9,662.08	9,350.40	9,662.08	9,662.08	8,727.04	9,662.08	9,350.40	9,662.08	9,350.40	113,763.20
Damar Services		\$65,320.00	\$64,255.00	11,005.00	11,005.00	10,650.00	11,005.00	10,650.00	11,005.00	11,005.00	9,940.00	11,005.00	10,650.00	11,005.00	10,650.00	129,575.00
Namaste		\$36,800.00	\$36,200.00	6,200.00	6,200.00	6,000.00	6,200.00	6,000.00	6,200.00	6,200.00	5,600.00	6,200.00	6,000.00	6,200.00	6,000.00	73,000.00
Scar/Jasper Mountain		\$15,252.32	\$48,464.56					6961.76	8,300.56	8,300.56	7,497.28	8,300.56	8,032.80	8,300.56	8,032.80	63,726.88
Scar/Jasper Mountain		\$13,800.00		2,325.00	2,325.00	2,250.00										6,900.00
Sonia Shankman Orthogenic		\$35,475.00	\$34,894.99	5,976.49	5,976.49	5,783.70	5,976.49	5,783.70	5,976.49	5,976.49	5,398.12	5,976.49	5,783.70	5,976.49	5,783.70	70,366.35
Benchmark		\$45,206.00	\$39,277.00	6,727.00	6,727.00	4,710.00	6,727.00	6,510.00	6,727.00	6,727.00	6,076.00	6,727.00	6,510.00	6,727.00	6,510.00	77,405.00
Andrea Williams (foster parent)		\$2,163.00	\$4,326.00				721.00	721.00	721.00	721.00	721.00	721.00	721.00	721.00	721.00	6,489.00
<b>Total</b>		\$274,900.88	\$283,831.63	\$41,895.57	\$41,895.57	\$38,744.10	\$40,291.57	\$45,976.86	\$48,592.13	\$48,592.13	\$43,959.44	\$48,592.13	\$47,047.90	\$48,592.13	\$47,047.90	\$541,227.43

Exemption 05-01 & 05-17 Amount:	\$512,100.00
Estimated amount for FY-05	\$541,227.43
Additional Amount:	\$48,958.00
Amount Short	-\$78,085.43
*** Estimated Increase:	\$90,000.00

\*\*\* Notes: - Estimation is based on the current rates. Plus any additional amount.  
- Provider National Deaf Academy is also included with the rate of \$ 560.00.

PEH 05-01 Usage	
Unit Rate	\$261,000.00
Total processed amount	\$257,395.80
Additional Amount	\$7,441.00
Amount left from PEH 05-01	-\$3,836.80
Encumbrances	\$277,063.88

PEH 05-17 Usage	
Unit Rate	\$251,100.00
Total processed amount	\$69,991.10
Additional Amount	\$3,836.80
Amount left from PEH 05-17	\$177,272.10
Encumbrances	\$249,001.91

Provider Rates	
Damar Services	\$355.00 per day
Rivendell Center/ Turning Point	\$311.68 room & board
Namaste	\$15.00 counseling
Scar/Jasper Mountain	\$200.00 per day
Sonia Shankman	\$267.76 per day
Benchmark	\$192.79 per day
Andrea Williams	\$217.00 per day
National Deaf Academy	\$721.00 per month
	\$377.86 per day

Additional Amount	
Scar/Jasper tuition services (Nov- Dec 04)	
at \$ 70 per day	
Estimation for Scar/Jasper tuition services for the period of January 2005 through June 2005	\$43,680.00
Estimated for provider National Deaf Academy	\$5,278.00
Benchmark April invoice	
<b>Total</b>	\$48,958.00

LINDA LINGLE  
GOVERNOR OF HAWAII



CHIYOME L. FUKINO, M.D.  
DIRECTOR OF HEALTH

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
CHILD & ADOLESCENT MENTAL HEALTH DIVISION  
3627 KILAUEA AVENUE, ROOM 101  
HONOLULU, HAWAII 96816

In reply, please refer to:

June 13, 2005

TO: Mara Smith  
State Procurement Office

FROM: T. Orvin Fillman, PHAO  
Child and Adolescent Mental Health Division

A handwritten signature in black ink, reading "T. Orvin Fillman".

SUBJECT: Mainland Placement Exemption

This is a follow-up to our recent telephone conversation and the Child and Adolescent Mental Health Division's request for a \$90,000 increase to our current exemption for mainland placements for served youth. It was questioned why the Child and Adolescent Mental Health Division (CAMHD) didn't plan better for these services. I confirmed to you that the reason our first request was lower than last year was directly due to my own oversight. When I was evaluating our annual expenses for our Mainland Placements, I missed the placement of one court-ordered youth who was funded by CAMHD through some unusual circumstances. The services that we provided were different from our usual array of services – but were required non-the-less. His payment history was placed in a different cost category from the other mainland youth due to the nature of his placement. This oversight was the main reason that our initial request for an exemption was less than what was actually indicated.

Your positive decision to approve our Exemption from Chapter 103F would be greatly appreciated.